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**St George Leagues Club Limited**  
ABN 77 000 151 020  
**and its Controlled Entity**

**Annual Financial Report**  
**31 October 2016**

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# St George Leagues Club Limited and its Controlled Entity

## Directors' Report

The directors present their report, together with the financial statements of St George Leagues Club Limited (the company) and its controlled entity (the consolidated entity) for the year ended 31 October 2016.

### Directors

The directors of the company in office at any time during or since the end of the financial year are:

Brian Stuart Johnston  
Harvey Warren Lockwood  
Ralph Gordon Piggott  
Peter Lawrence Doust  
Bruce William Spaul  
Peter Ernest Black  
Michelle Maree McClelland  
Craig Stephen Young  
Martin Newman

### Information on directors

The information on directors is as follows:

Brian Stuart Johnston	<ul style="list-style-type: none"><li>• Chairman</li><li>• Company Director</li><li>• Director, St George District Rugby League Football Club Limited</li><li>• Director, St George Illawarra Rugby League Football Club Pty Limited</li></ul>
Ralph Gordon Piggott	<ul style="list-style-type: none"><li>• Deputy Chairman</li><li>• Company Director</li><li>• Director, St George District Rugby League Football Club Limited</li></ul>
Harvey Warren Lockwood	<ul style="list-style-type: none"><li>• Consultant</li><li>• Director, St George District Rugby League Football Club Limited</li><li>• Director, St George Illawarra Rugby League Football Club Pty Limited</li></ul>
Peter Lawrence Doust	<ul style="list-style-type: none"><li>• Executive Director and Chief Executive Officer, St George Illawarra Rugby League Football Club Pty Limited</li><li>• Director, St George District Rugby League Football Club Limited</li></ul>
Bruce William Spaul	<ul style="list-style-type: none"><li>• Chartered Accountant</li><li>• Director, St George District Rugby League Football Club Limited</li></ul>
Peter Ernest Black	<ul style="list-style-type: none"><li>• Sales Manager</li><li>• Director, St George District Rugby League Football Club Limited</li><li>• Director, St George Illawarra Rugby League Football Club Pty Limited</li></ul>
Michelle Maree McClelland	<ul style="list-style-type: none"><li>• School Teacher</li><li>• Director, St George District Rugby League Football Club Limited</li></ul>
Craig Stephen Young	<ul style="list-style-type: none"><li>• Coaching and Development Officer</li><li>• Director, St George District Rugby League Football Club Limited</li></ul>
Martin Newman	<ul style="list-style-type: none"><li>• Company Director</li><li>• Director, St George District Rugby League Football Club Limited</li></ul>

# St George Leagues Club Limited and its Controlled Entity

## Directors' Report (continued)

### Directors' meetings

The number of directors' meetings of the company's Board of Directors (the Board) held during the year ended 31 October 2016 and the number of meetings held during the financial year were:

Director	Number of meetings attended	Number of meetings held *
Brian Stuart Johnston	10	10
Ralph Gordon Piggott	8	10
Harvey Warren Lockwood	10	10
Peter Lawrence Doust	10	10
Bruce William Spaul	10	10
Peter Ernest Black	10	10
Craig Stephen Young	10	10
Martin Newman	10	10
Michelle Maree McClelland	10	10

\* Number of meetings held during the time the director held office during the year.

### Membership

The company is a company limited by guarantee and is without share capital. The number of members as at 31 October 2016 was 26,882 (2015: 25,685).

### Members' limited liability

In accordance with the Constitution of the company, every member of the company undertakes to contribute an amount limited to \$2 per member in the event of the winding up of the company during the time that they are a member or within one year thereafter. The total amount that the members of the company are liable to contribute if the company is wound up is \$53,764 (2015: \$51,370).

### Operating Result

The table below shows a reconciliation of St George Leagues Club and its Controlled Entity's earnings before finance costs, income tax, depreciation, amortisation and grants and community development expenditure to football clubs (referred to as EBITDAG).

	2016 \$	2015 \$
Net profit after income tax expense attributable to members	2,546,621	3,333,630
Add back:		
Depreciation and amortisation expense	2,750,836	2,794,326
Finance costs	87,569	186,919
Income tax expense / (benefit)	(215,617)	(24,211)
Grants to football clubs and community development and support expenditure	2,994,971	1,269,778
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<b>EBITDAG</b>	<b>8,164,380</b>	<b>7,560,442</b>
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# St George Leagues Club Limited and its Controlled Entity

## Directors' Report (continued)

### Short and long term objectives

The principal short and long term objectives of the consolidated entity are to operate a licensed social Club for the use of the members and their guests and to promote and foster the playing of Rugby League Football in the St George district and elsewhere.

### Strategy for achieving the objectives

The Board and Management regularly address cash flow forecasts and apply budgetary controls to ensure that the objectives are achieved.

### Principal activities

The principal activities of the company during the financial year were that of a licensed social Club and controlling the operations of the St George District Rugby League Football Club Limited.

There have been no significant changes in the nature of these activities during the year.

### How these activities assist in achieving the objectives

These activities generate funds to achieve the objectives of providing facilities and promoting and fostering the playing of rugby league football.

### Performance measurement and key performance indicator

A number of performance indicators are employed by the company in order to measure and improve the company's performance. The company uses gross profit percentage and wages to sales percentage to measure the financial performance of each department.

### Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 4.

Signed in accordance with a resolution of the directors.

Dated at Kogarah this 14<sup>th</sup> day of February 2017.

**Brian Stuart Johnston**  
Director

**DECLARATION OF INDEPENDENCE BY PAUL CHEESEMAN TO THE DIRECTORS OF ST GEORGE LEAGUES CLUB LIMITED AND ITS CONTROLLED ENTITY**

As lead auditor of St George Leagues Club Limited and its Controlled Entity for the year ended 31 October 2016, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

This declaration is in respect to St George Leagues Club Limited and its Controlled Entity during the period.

**Paul Cheeseman**  
Partner

**BDO East Coast Partnership**  
Kogarah, 14<sup>th</sup> February 2017

## INDEPENDENT AUDITOR'S REPORT

To the members of St George Leagues Club Limited and its Controlled Entity

### Report on the Financial Report

We have audited the accompanying financial report of St George Leagues Club Limited and its Controlled Entity, which comprises the consolidated statement of financial position as at 31 October 2016, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

### Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



## INDEPENDENT AUDITOR'S REPORT (continued)

### Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of St George Leagues Club Limited and its Controlled Entity, would be in the same terms if given to the directors as at the time of this auditor's report.

### Opinion

In our opinion the financial report of St George Leagues Club Limited and its Controlled Entity is in accordance with the *Corporations Act 2001*, including:

- (a) Giving a true and fair view of the consolidated entity's financial position as at 31 October 2016 and of their performance for the year ended on that date; and
- (b) Complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

### BDO East Coast Partnership

**Paul Cheeseman**  
Partner

Kogarah, 14<sup>th</sup> February 2017

# St George Leagues Club Limited and its Controlled Entity Directors' Declaration

The directors of St George Leagues Club Limited and its controlled entity declare that:

- (a) In the Directors' opinion the financial statements and notes set out on pages 8 to 35, are in accordance with the *Corporations Act 2001*, including:
  - (i) Giving a true and fair view of the consolidated entity's financial position as at 31 October 2016 and of its performance, for the financial year ended on that date; and
  - (ii) Complying with Australian Accounting Standards - Reduced Disclosure Requirements and *Corporations Regulations 2001* and other professional reporting requirements;
- (b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

Dated at Kogarah this 14<sup>th</sup> day of February 2017

**Brian Stuart Johnston**  
Director

St George Leagues Club Limited and its Controlled Entity  
Consolidated Statement of Profit or Loss and Other Comprehensive  
Income  
For the Year Ended 31 October 2016

	Note	2016 \$	2015 \$
<b>Revenue</b>			
Sale of goods		4,656,710	4,464,877
Rendering of services		35,132,624	34,233,216
Other revenue		627,542	434,599
		<hr/>	<hr/>
Total revenue	2	40,416,876	39,132,692
		<hr/>	<hr/>
Other Income	2	195,313	-
		<hr/>	<hr/>
<b>Expenses</b>			
Raw materials and consumables used	3	(2,214,584)	(1,973,306)
Employee benefits expense		(10,012,582)	(9,436,304)
Poker machine duty and CMS expense		(9,113,162)	(8,810,056)
Occupancy expenses		(4,232,448)	(4,560,475)
Marketing and promotional expenses		(5,093,106)	(4,851,024)
Depreciation and amortisation expense	3	(2,750,836)	(2,794,326)
Finance costs	3	(87,569)	(186,919)
Football clubs and community development and support expenditure	4	(2,994,971)	(1,269,778)
Other expenses		(1,781,927)	(1,941,085)
		<hr/>	<hr/>
Total expenses		(38,281,185)	(35,823,273)
		<hr/>	<hr/>
<b>Profit before income tax expense</b>		2,331,004	3,309,419
Income tax benefit/(expense)	5(a)	215,617	24,211
		<hr/>	<hr/>
<b>Net profit after income tax expense attributable to members</b>	17	2,546,621	3,333,630
		<hr/>	<hr/>
<b>Other comprehensive income</b>			
Other comprehensive income for the year, net of tax		-	-
		<hr/>	<hr/>
<b>Total comprehensive income for the year attributable to members</b>		2,546,621	3,333,630
		<hr/>	<hr/>

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes set out on pages 12 to 35.

St George Leagues Club Limited and its Controlled Entity  
Consolidated Statement of Financial Position  
As at 31 October 2016

ASSETS	Note	2016 \$	2015 \$
<b>Current Assets</b>			
Cash and cash equivalents	6	13,824,870	11,740,137
Trade and other receivables	7	469,479	99,101
Inventories	8	189,500	215,449
Other current assets	10	638,129	455,231
<b>Total Current Assets</b>		<u>15,121,978</u>	<u>12,509,918</u>
<b>Non-Current Assets</b>			
Financial assets	9	100	100
Property, plant and equipment	11	41,189,317	41,056,212
Intangible assets	12	133,333	133,333
Deferred tax assets	5(c)	280,859	219,662
<b>Total Non-current Assets</b>		<u>41,603,609</u>	<u>41,409,307</u>
<b>Total Assets</b>		<u>56,725,587</u>	<u>53,919,225</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	13	3,428,687	2,550,869
Employee benefits	15	2,285,265	2,249,002
Financial liabilities	14	516,762	1,477,109
Other current liabilities	16	324,394	344,470
<b>Total Current Liabilities</b>		<u>6,555,108</u>	<u>6,621,450</u>
<b>Non-Current Liabilities</b>			
Employee benefits	15	109,301	93,311
Financial liabilities	14	1,507,072	1,031,238
Deferred tax liabilities	5(d)	230,287	335,817
Other non-current liabilities	16	99,558	159,769
<b>Total Non-Current Liabilities</b>		<u>1,946,218</u>	<u>1,620,135</u>
<b>Total Liabilities</b>		<u>8,501,326</u>	<u>8,241,585</u>
<b>Net Assets</b>		<u>48,224,261</u>	<u>45,677,640</u>
<b>Members' Funds</b>			
Retained profits	17	48,224,261	45,677,640
<b>Total Members' Funds</b>		<u>48,224,261</u>	<u>45,677,640</u>

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes set out on pages 12 to 35.

St George Leagues Club Limited and its Controlled Entity  
 Consolidated Statement of Changes in Equity  
 For the Year Ended 31 October 2016

	Retained Profits \$	Total Member Funds \$
<b>Balance at 1 November 2014</b>	<b>42,344,010</b>	<b>42,344,010</b>
Net profit after income tax expense for the year	3,333,630	3,333,630
Other comprehensive income for the year, net of tax	-	-
	<hr/>	<hr/>
Total comprehensive income for the year	3,333,630	3,333,630
	<hr/>	<hr/>
<b>Balance at 31 October 2015</b>	<b>45,677,640</b>	<b>45,677,640</b>
Net profit after income tax expense for the year	2,546,621	2,546,621
Other comprehensive income for the year, net of tax	-	-
	<hr/>	<hr/>
Total comprehensive income for the year	2,546,621	2,546,621
	<hr/>	<hr/>
<b>Balance at 31 October 2016</b>	<b>48,224,261</b>	<b>48,224,261</b>
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The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes set out on pages 12 to 35.

St George Leagues Club Limited and its Controlled Entity  
**Consolidated Statement of Cash Flows**  
**For the Year Ended 31 October 2016**

	Note	2016 \$	2015 \$
<b>Cash Flow From Operating Activities</b>			
Receipts from customers (inclusive of GST)		43,561,474	43,099,379
Payments to suppliers and employees (inclusive of GST)		(35,675,791)	(36,085,063)
Grants to football clubs	4	(2,480,000)	(550,000)
Community development and support expenditure	4	(514,971)	(719,778)
Rent received	2	147,287	108,732
Finance costs	3	(87,569)	(186,919)
Interest received	2	258,555	224,867
Income tax refunds received	5(b)	48,890	283,032
		<hr/>	<hr/>
<b>Net cash inflow from operating activities</b>		5,257,875	6,174,250
		<hr/>	<hr/>
<b>Cash Flow from Investing Activities</b>			
Proceeds from sale of property, plant and equipment		365,725	165,015
Payment for property, plant and equipment		(3,054,354)	(2,467,682)
		<hr/>	<hr/>
<b>Net cash outflow from investing activities</b>		(2,688,629)	(2,302,667)
		<hr/>	<hr/>
<b>Cash Flow from Financing Activities</b>			
Finance lease payments		(234,513)	(265,352)
Repayment of borrowings		(250,000)	(1,500,000)
		<hr/>	<hr/>
<b>Net cash outflow from financing activities</b>		(484,513)	(1,765,352)
		<hr/>	<hr/>
<b>Net increase in cash and cash equivalents</b>		2,084,733	2,106,231
<b>Cash and cash equivalents at the beginning of the financial year</b>		11,740,137	9,633,906
		<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the financial year</b>	6	13,824,870	11,740,137
		<hr/>	<hr/>

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes set out on pages 12 to 35.

# St George Leagues Club Limited and its Controlled Entity

## Notes to the Financial Statements

### For the Year Ended 31 October 2016

#### 1 Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Basis of Preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*, as appropriate for not-for-profit orientated entities.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

The financial report is presented in Australian dollars, which is the company's functional and presentation currency.

The company is a not-for-profit company for the purpose of preparing these financial statements, which means that in preparing the financial report, the company has applied the exemptions available for not-for-profit entities.

The financial report was authorised for issue on 14<sup>th</sup> February 2017, in accordance with a resolution of directors. The directors have the power to amend and reissue the financial report.

##### **Historical Cost Convention**

The financial statements have been prepared under the historical cost convention.

##### **New, Revised or Amending Accounting Standards and Interpretations Adopted**

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

# St George Leagues Club Limited and its Controlled Entity

## Notes to the Financial Statements

### For the Year Ended 31 October 2016

#### 1 Summary of Significant Accounting Policies (continued)

##### (a) Basis of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of St George Leagues Club Limited ('company' or 'parent entity') as at 31 October 2016 and the results of all subsidiaries for the year then ended. St George Leagues Club Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

A list of controlled entities is contained in Note 24 to the financial statements.

All inter-group balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation.

##### (b) Revenue Recognition - Note 2

Revenues are recognised at fair value of the consideration received or receivable net of the amount of goods and services tax (GST) payable to the taxation authority. Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenues.

###### **Sale of Goods**

Revenue from the sale of goods comprises revenue earned from the provision of food, beverage and other goods and is recognised (net of rebates, returns, discounts and other allowances) on the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods.

###### **Rendering of Services**

Revenue from rendering services comprises revenue from gaming facilities together with other services to members and other patrons of the club and is recognised when the services are provided.

###### **Interest Revenue**

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument.

###### **Rental Revenue**

Rent revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

##### (c) Other income

###### **Sale of Property, Plant and Equipment**

The gain or loss on disposal of property, plant and equipment is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs) and is recognised as other income at the date control of the asset passes to the buyer.

# St George Leagues Club Limited and its Controlled Entity

## Notes to the Financial Statements

### For the Year Ended 31 October 2016

#### 1 Summary of Significant Accounting Policies (continued)

##### (d) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities which are disclosed as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the Australian Taxation Office.

##### (e) Finance Costs

Finance costs include interest, premiums relating to borrowings, amortisation of ancillary costs incurred in connection with arrangement of borrowings and lease finance charges.

Finance costs are expensed as incurred unless they relate to qualifying assets. Qualifying assets are assets which take more than 12 months to get ready for their intended use or sale. In these circumstances, finance costs are capitalised to the cost of the assets. Where funds are borrowed specifically for the acquisition, construction or production of a qualifying asset, the amount of finance costs capitalised is those incurred in relation to that borrowing, net of any interest earned on those borrowings. Where funds are borrowed generally, finance costs are capitalised using a weighted average capitalisation rate.

##### (f) Income Tax - Note 5

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates that are enacted or substantively enacted.

Deferred tax assets are recognised for deductible temporary differences if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

# St George Leagues Club Limited and its Controlled Entity

## Notes to the Financial Statements

### For the Year Ended 31 October 2016

#### 1 Summary of Significant Accounting Policies (continued)

##### (f) Income Tax - Note 5 (continued)

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entity's which intend to settle the claim simultaneously.

The parent entity adopts the principle of mutuality and is liable for income tax only on income derived from non-members and from investments.

The controlled entity is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

##### (g) Impairment of Assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

##### (h) Cash and Cash Equivalents - Note 6

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

##### (i) Trade and Other Receivables - Note 7

Trade debtors and other receivables represent the principal amounts due at balance date plus accrued interest and less, where applicable, any unearned income and provisions for doubtful accounts.

##### (j) Inventories - Note 8

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on the basis of weighted average costs.

# St George Leagues Club Limited and its Controlled Entity

## Notes to the Financial Statements

### For the Year Ended 31 October 2016

#### 1 Summary of Significant Accounting Policies (continued)

##### (k) Leased Assets

Leases under which the consolidated entity assumes substantially all the risks and benefits incidental to the ownership of the assets but not the legal ownership are classified as finance leases. Other leases are classified as operating leases.

##### **Finance Leases - Note 14**

A lease asset and a lease liability are recorded at their fair value at the inception of the lease or, if lower at the present value of the minimum lease payments.

Lease liabilities are reduced by repayments of principal. The interest components of the lease payments are expensed. Contingent rentals are expensed as incurred.

##### **Operating Leases**

Payments made under operating leases are expensed on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

##### (l) Property, Plant and Equipment - Note 11

Freehold land and buildings are shown at historic cost less subsequent depreciation for buildings and accumulated impairment losses for land and buildings.

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the consolidated entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated using the straight line/ diminishing value methods to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Buildings	40 years
Leasehold improvements	10 years
Plant and equipment	10 years
Poker machines	5 years
Motor vehicles	6 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of the reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the profit or loss. When revalued assets are sold the amounts included in the revaluation reserve relating to those assets are transferred to retained earnings.

# St George Leagues Club Limited and its Controlled Entity

## Notes to the Financial Statements

### For the Year Ended 31 October 2016

#### 1 Summary of Significant Accounting Policies (continued)

##### (m) Intangible Assets - Note 12

###### **Poker Machine Entitlements**

Poker machine entitlements are not amortised. Instead, poker machine entitlements are tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and are carried at cost less accumulated impairment losses.

##### (n) Trade and Other Payables - Note 13

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

##### (o) Employee Benefits - Note 15

###### **Wages and Salaries and Annual Leave**

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables with respect to employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

###### **Long Service Leave**

The provision for employee benefits relating to long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided to reporting date.

The provision is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates based on turnover history and is discounted using the market yields on national government bonds at reporting date which most closely match the terms of maturity with the expected timing of cash flows. The unwinding of the discount is treated as long service leave expense.

###### **Superannuation Plans**

The consolidated entity contributes to several defined contribution superannuation plans. Contributions are recognised as an expense as they are made. The consolidated entity has no legal or constructive obligation to fund any deficit.

##### (p) Financial Liabilities - Note 14

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the profit or loss over the period of borrowings using the effective interest method.

Borrowings are classified as non-current liabilities unless the consolidated entity has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

# St George Leagues Club Limited and its Controlled Entity

## Notes to the Financial Statements

### For the Year Ended 31 October 2016

#### 1 Summary of Significant Accounting Policies (continued)

##### (q) Customer Loyalty Program

The consolidated entity operates a loyalty program where customers accumulate points for dollars spent. The award points are recognised as a separately identifiable component of the initial sale transaction, by allocating the fair value of the consideration received between the award points and the other components of the sale that the award points are recognised at their fair value. Revenue from the award points is recognised when the points are redeemed. The amount of revenue is based on the number of points redeemed relative to the total number expected to be redeemed.

##### (r) Interest in Joint Ventures

The joint venture is jointly controlled by the consolidated entity and another entity. The consolidated entity's interest is accounted for by using the equity accounting principles in the consolidated financial statements.

##### (s) Critical Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events that management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

###### **Estimation of Useful Lives of Assets**

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

###### **Long Service Leave Provision**

As discussed in note 1(o), the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect to all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

###### **Intangible Assets**

As discussed in note 1(m), impairment of poker machine entitlements is recognised based on a value in use calculations and is measured at the present value of the estimated future cash inflows available to the consolidated entity from the use of these licenses. In determining the present value of the cash inflows growth rate and appropriate discount factor have been considered. Refer to Note 12.

St George Leagues Club Limited and its Controlled Entity  
Notes to the Financial Statements  
For the Year Ended 31 October 2016

2 Revenue and other income

	2016 \$	2015 \$
<b>Sale of Goods Revenue</b>		
Bar sales	1,276,616	1,295,022
Catering sales	3,378,603	3,169,166
Merchandise sales	1,491	689
	<hr/>	<hr/>
	4,656,710	4,464,877
	<hr/>	<hr/>
<b>Rendering of Services Revenue</b>		
Poker machine - net clearances	33,681,089	32,630,207
Members' subscriptions	235,686	242,534
Commission received	445,338	434,727
Other rendering of services revenue	770,511	925,748
	<hr/>	<hr/>
	35,132,624	34,233,216
	<hr/>	<hr/>
<b>Other Revenues</b>		
Interest received	258,555	224,867
Rent received	147,287	108,732
Sundry income	221,700	101,000
	<hr/>	<hr/>
	627,542	434,599
	<hr/>	<hr/>
<b>Total Revenue</b>	40,416,876	39,132,692
	<hr/>	<hr/>
<b>Other income</b>		
Gain on disposal of property, plant & equipment	195,313	-
	<hr/>	<hr/>
<b>Total other Income</b>	195,313	-
	<hr/>	<hr/>

St George Leagues Club Limited and its Controlled Entity  
Notes to the Financial Statements  
For the Year Ended 31 October 2016

3 Expenses

	2016 \$	2015 \$
Profit before income tax expense includes the following specific items:		
Cost of sales	2,214,584	1,973,306
Finance costs	87,569	186,919
Depreciation and amortisation		
Buildings depreciation	627,300	639,600
Plant and equipment depreciation	2,121,448	2,152,766
	2,748,748	2,792,366
Amortisation		
Leasehold improvements	2,088	1,960
Total depreciation and amortisation	2,750,836	2,794,326
Net loss on disposal / write off of non-current assets	-	219,132
Defined contribution superannuation expense	1,001,545	927,828

4 Football Clubs and Community Development and Support Expenditure

Community development and support expenditure	514,971	719,778
Grant to St George Illawarra Rugby League Football Club Pty Ltd	2,480,000	550,000
	2,994,971	1,269,778

# St George Leagues Club Limited and its Controlled Entity

## Notes to the Financial Statements

### For the Year Ended 31 October 2016

#### 5 Income Tax

The Income Tax Assessment Act, 1997 (amended) provides that under the concept of mutuality clubs are only liable for income tax on income derived from non-members and from outside entities.

The controlled entity, St George District Rugby League Football Club Limited, is exempt from income tax under Section 50-45 of the Income Tax Assessment Act (1997).

##### a) Income Tax Expense / (Benefit)

	2016 \$	2015 \$
The amount set aside for income tax in the statement of profit or loss and other comprehensive income has been calculated as follows:		
Portion of income attributable to non-members	5,605,058	6,990,409
Less: Portion of expenses attributable to non-members	(5,938,659)	(7,099,006)
	<u>(333,601)</u>	<u>(108,597)</u>
Add: Other assessable income	1,182,912	1,091,087
Less: Other deductible expenses	(1,141,301)	(1,097,859)
Transfer to tax losses	291,990	115,369
	<u>-</u>	<u>-</u>
Net income subject to tax	-	-
Current income tax applicable to above at 30%		-
(Decrease)/ Increase in deferred tax liability	(61,197)	21,289
(Increase) in deferred tax asset	(105,530)	(43,233)
Over provision in prior year	(48,890)	(2,267)
	<u>(215,617)</u>	<u>(24,211)</u>
Income tax (benefit) / expense	(215,617)	(24,211)

St George Leagues Club Limited and its Controlled Entity  
Notes to the Financial Statements  
For the Year Ended 31 October 2016

5 Income Tax (continued)

	2016 \$	2015 \$
(b) Current Tax Liabilities/(Asset)		
Movements during the year:		
Balance at beginning of year	-	(280,765)
Income tax paid	-	-
Refund received	48,890	283,032
Over provision in prior year	(48,890)	(2,267)
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
(c) Deferred Tax Assets		
<i>Amounts recognised in profit or loss</i>		
Employee benefits	74,226	100,626
Tax losses	206,633	119,036
	<hr/>	<hr/>
Net deferred tax assets	280,859	219,662
	<hr/>	<hr/>
<b>Movements</b>		
Opening balance	219,662	176,429
Credited to profit or loss	61,197	43,233
	<hr/>	<hr/>
Closing balance	280,859	219,662
	<hr/>	<hr/>
(d) Deferred Tax Liabilities		
The balance comprises temporary differences attributable to:		
Depreciation	230,287	335,817
	<hr/>	<hr/>
Net deferred tax liabilities	230,287	335,817
	<hr/>	<hr/>
<b>Movements</b>		
Opening balance	335,817	314,527
(Debited) /credited to profit or loss	(105,530)	21,290
	<hr/>	<hr/>
Closing balance	230,287	335,817
	<hr/>	<hr/>

# St George Leagues Club Limited and its Controlled Entity

## Notes to the Financial Statements

### For the Year Ended 31 October 2016

#### 6 Cash and Cash Equivalents

##### Reconciliation of cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2016 \$	2015 \$
Cash at bank and on hand	3,024,870	3,490,137
Term deposits	10,800,000	8,250,000
	<hr/>	<hr/>
	13,824,870	11,740,137
	<hr/>	<hr/>

##### Non-Cash Financing and Investing Activities

During the financial year the consolidated entity acquired plant and equipment with an aggregate fair value of \$251,850 (2015: \$372,372) by means of finance leases. These acquisitions are not reflected in the Statement of Cash Flows.

#### 7 Trade and Other Receivables

##### Current

Trade debtors	469,479	96,260
Other debtors	-	2,841
	<hr/>	<hr/>
	469,479	99,101
	<hr/>	<hr/>

#### 8 Inventories

##### Current

Bar and catering stock	166,657	192,488
Memorabilia stock	22,843	22,961
	<hr/>	<hr/>
Finished goods at cost	189,500	215,449
	<hr/>	<hr/>

St George Leagues Club Limited and its Controlled Entity  
Notes to the Financial Statements  
For the Year Ended 31 October 2016

9 Financial Assets

	2016 \$	2015 \$
<b>Non-Current</b>		
Interest in Joint Venture	100	100
	<hr/> <hr/>	<hr/> <hr/>

10 Other Assets

<b>Current</b>		
Prepayments	638,129	455,231
	<hr/>	<hr/>

St George Leagues Club Limited and its Controlled Entity  
Notes to the Financial Statements  
For the Year Ended 31 October 2016

11 Property, Plant and Equipment

	2016 \$	2015 \$
<b>Land and Buildings</b>		
At cost	35,538,915	35,353,569
Accumulated depreciation	(4,743,334)	(4,116,034)
	<hr/> 30,795,581	<hr/> 31,237,535
<b>Leasehold Improvements</b>		
At cost	2,166,779	2,166,779
Less: Accumulated amortisation	(2,161,308)	(2,159,221)
	<hr/> 5,471	<hr/> 7,559
<b>Total Land, Buildings and Leasehold Improvements</b>	<hr/> 30,801,052	<hr/> 31,245,094
<b>Poker Machines</b>		
At cost	12,316,452	11,962,052
Less: Accumulated depreciation	(8,231,448)	(8,378,704)
	<hr/> 4,085,004	<hr/> 3,583,348
<b>Plant and Equipment</b>		
At cost	23,283,751	22,275,262
Less: Accumulated depreciation	(17,121,992)	(16,171,102)
	<hr/> 6,161,759	<hr/> 6,104,160
<b>Motor Vehicles</b>		
At cost	308,769	258,683
Less: Accumulated depreciation	(167,267)	(135,073)
	<hr/> 141,502	<hr/> 123,609
<b>Total Plant and Equipment</b>	<hr/> 10,388,265	<hr/> 9,811,118
<b>Total Property, Plant and Equipment</b>	<hr/> <hr/> 41,189,317	<hr/> <hr/> 41,056,212

St George Leagues Club Limited and its Controlled Entity  
Notes to the Financial Statements  
For the Year Ended 31 October 2016

11 Property, Plant and Equipment (continued)

Valuation

An independent valuation by Andrew Nock Pty Limited of the company's land and buildings and contents was carried out as at 21 June 2016 on the basis of open market value for existing use resulted in a valuation of \$38,500,000 and \$8,583,000 respectively. The directors are of the opinion the amount reflects the value at 31 October 2016. As land and buildings are recorded at cost the valuation has not been brought to account.

	2016 \$	2015 \$
Reconciliations		
<b>Movements in Carrying Amounts</b>		
Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year are set out below:		
<b>Land and Buildings</b>		
Carrying amount at beginning of year	31,237,535	31,646,332
Additions	185,346	230,803
Depreciation expense	(627,300)	(639,600)
	<hr/>	<hr/>
Carrying amount at end of year	30,795,581	31,237,535
	<hr/> <hr/>	<hr/> <hr/>
<b>Leasehold Improvements</b>		
Carrying amount at beginning of year	7,559	7,669
Additions	-	1,850
Amortisation expense	(2,088)	(1,960)
	<hr/>	<hr/>
Carrying amount at end of year	5,471	7,559
	<hr/> <hr/>	<hr/> <hr/>
<b>Poker Machines</b>		
Carrying amount at beginning of year	3,583,348	4,157,687
Additions	1,810,432	1,061,233
Disposals	(170,412)	(365,960)
Depreciation expense	(1,138,364)	(1,269,612)
	<hr/>	<hr/>
Carrying amount at end of year	4,085,004	3,583,348
	<hr/> <hr/>	<hr/> <hr/>

St George Leagues Club Limited and its Controlled Entity  
Notes to the Financial Statements  
For the Year Ended 31 October 2016

11 Property, Plant and Equipment (continued)

	2016 \$	2015 \$
<b>Reconciliations (continued)</b>		
<b>Plant and Equipment</b>		
Carrying amount at beginning of year	6,104,160	5,905,488
Additions	1,008,489	1,100,939
Disposals	-	(40,876)
Depreciation expense	(950,890)	(861,391)
	<hr/>	<hr/>
Carrying amount at end of year	6,161,759	6,104,160
	<hr/>	<hr/>
<b>Motor Vehicles</b>		
Carrying amount at beginning of year	123,609	87,349
Additions	50,087	72,857
Disposal	-	(14,834)
Depreciation expense	(32,194)	(21,763)
	<hr/>	<hr/>
Carrying amount at end of year	141,502	123,609
	<hr/>	<hr/>

**Core property held by the Club:**

124 Princes Highway  
Kogarah NSW 2217

**Non-core property held by the Club:**

There is no non-core property held by the Club.

**Leased assets**

The net book value of leased assets included in the property, plant and equipment is \$858,866 (2015: \$941,997).

St George Leagues Club Limited and its Controlled Entity  
Notes to the Financial Statements  
For the Year Ended 31 October 2016

12 Intangible Assets

	2016 \$	2015 \$
Poker machine entitlements - at cost	196,000	196,000
Accumulated impairment	(62,667)	(62,667)
	<hr/>	<hr/>
Net book amount	133,333	133,333
	<hr/>	<hr/>
<b>Reconciliation</b>		
Opening net book amount	133,333	133,333
Additions	-	-
	<hr/>	<hr/>
Net book amount	133,333	133,333
	<hr/>	<hr/>

**Indefinite useful life**

Poker machine entitlements are administrated by the state government and restrict the number of poker machines that can be installed by licensed club holder. The entitlements which may be transferred or acquired or sold do not have an expiration date and are therefore deemed to have an indefinite useful life. Poker machine entitlements are internally generated and therefore are only recognised when acquired and are valued at cost.

**Entitlement**

Key assumptions are those to which the recoverable amount of an asset or cash-generating units is most sensitive.

The following key assumptions were used in the discounted cash flow model for the poker machine entitlements

- a. 3.4% pre-tax discount rate;
- b. 3.0% per annum projected revenue growth rate;
- c. 3.0% per annum increase in operating costs and overheads.

**Sensitivity**

As disclosed in note 1, the directors have made judgements and estimates with respect to impairment testing of poker entitlements. Should these judgements and estimates not occur, the resulting poker entitlements may vary in the carrying amount. The sensitivities are as follows:

Revenue would need to decrease significantly before the gaming division poker entitlements would need to be impaired, with all other assumptions remaining constant.

Management believes that other reasonable changes in the key assumptions on which the recoverable amount of gaming division's poker entitlements is based would not cause the cash-generating unit's carrying amount to exceed its recoverable amount.

St George Leagues Club Limited and its Controlled Entity  
Notes to the Financial Statements  
For the Year Ended 31 October 2016

13 Trade and Other Payables

	Note	2016 \$	2015 \$
<b>Current</b>			
Trade creditors		794,737	633,840
Goods and Services Tax (GST) payable		319,374	203,821
Sundry creditors and accruals		2,314,576	1,713,208
		<hr/>	<hr/>
		3,428,687	2,550,869
		<hr/>	<hr/>

14 Financial Liabilities

<b>Current Secured</b>			
Commercial bill		-	1,000,000
Finance lease liabilities	18	516,762	477,109
		<hr/>	<hr/>
		516,762	1,477,109
		<hr/>	<hr/>
<b>Non-Current Secured</b>			
Commercial bill		1,493,000	743,000
Finance lease liabilities	18	14,072	288,238
		<hr/>	<hr/>
		1,507,072	1,031,238
		<hr/>	<hr/>

**Financing Arrangements**

The company has access to the following lines of credit:

Total facilities available:			
Commercial bill		1,500,000	1,743,000
Bank guarantee		-	50,000
		<hr/>	<hr/>
		1,500,000	1,793,000
		<hr/>	<hr/>

St George Leagues Club Limited and its Controlled Entity  
Notes to the Financial Statements  
For the Year Ended 31 October 2016

14 Financial Liabilities (continued)

	2016 \$	2015 \$
Facilities utilised at reporting date		
Commercial bill	1,493,000	1,743,000
Bank guarantee	-	50,000
	<hr/>	<hr/>
	1,493,000	1,793,000
	<hr/> <hr/>	<hr/> <hr/>

**Bank Loans**

All bank loans are denominated in Australian dollars. The bank loans amount in current liabilities comprises the portion of the company's bank loan payable within one year (\$nil). The bank loans non-current balance represents the portion of the company's bank loans not due within one year.

The original facility agreement was amended on 18 August 2016. The amended facility agreement expires on 30 June 2019 and requires interest-only repayments. The bill facility rate at year end was 4.29%.

**Security**

The security for the commercial bill facility is:

1. First registered real property mortgage by St George Bank over the Commercial property located at 124 Princes Highway, Kogarah NSW 2217.
2. First registered fixed and floating charge over the assets and undertaking of St George Leagues Club Limited.
3. Charge over the liquor licence of the Club given by St George Leagues Club Limited.

The carrying amount of the pledged assets is as follows:

Land and buildings and plant & equipment	41,189,317	41,056,212
	<hr/> <hr/>	<hr/> <hr/>

15 Employee Benefits

Current	2,285,265	2,249,002
	<hr/>	<hr/>
Non-Current	109,301	93,311
	<hr/>	<hr/>

The present values of employee benefits not expected to settle within the next 12 months of reporting date has been calculated using the following weighted averages:

	2016	2015
Assumed rate of increase in wage and salary rates	1.30%	2.00%
Discount rate	2.60%	4.25%

St George Leagues Club Limited and its Controlled Entity  
Notes to the Financial Statements  
For the Year Ended 31 October 2016

15 Employee Benefits (continued)

Superannuation Plans

Contributions

The company is under a legal obligation to contribute 9.50% of each employee's salary base salary to a superannuation fund.

16 Other Liabilities

	2016 \$	2015 \$
<b>Current</b>		
Income received in advance	324,394	344,470
	<hr/>	<hr/>
<b>Non-Current</b>		
Income received in advance	99,558	159,769
	<hr/>	<hr/>

17 Retained Profits

Retained profits at the beginning of the financial year	45,677,640	42,344,010
Profit attributable to members of the entity	2,546,621	3,333,630
	<hr/>	<hr/>
Retained profits at the end of the financial year	48,224,261	45,677,640
	<hr/>	<hr/>

St George Leagues Club Limited and its Controlled Entity  
Notes to the Financial Statements  
For the Year Ended 31 October 2016

18 Commitments

	2016 \$	2015 \$
<b>Operating Lease Payable Commitments</b>		
Future non-cancellable operating lease rentals of property, plant and equipment, not provided in the financial statements and payable:		
Within one year	-	142,724
	<hr/>	<hr/>
	-	142,724
	<hr/>	<hr/>
<b>Finance Lease Commitments</b>		
Finance lease commitment are payable as follows:		
Within one year	516,762	477,109
One year or later and no later than five years	14,072	288,238
	<hr/>	<hr/>
Minimum lease payments	530,834	765,347
	<hr/>	<hr/>

19 Contingent Liabilities

Estimates of the potential financial effect of contingent liabilities that may become payable:

Contingent liabilities with respect to bank guarantees given to third parties	-	50,000
	<hr/>	<hr/>

# St George Leagues Club Limited and its Controlled Entity

## Notes to the Financial Statements

### For the Year Ended 31 October 2016

#### 20 Mutuality Principle

The company calculates its income in accordance with the mutuality principle which excludes from income, any amounts of subscriptions and contributions from members, and payments received from members for particular services provided by the club or association, e.g. poker machines, bar and dining room service in the case of social clubs. The Commissioner of Taxation accepts this method of calculating income as appropriate for recognised clubs and associations.

Amendments to the Income Tax Assessment Act 1997 ensure social clubs continue not to be taxed on receipts from contributions and payments received from members.

#### 21 Key Management Personnel

##### (a) Directors

The following persons were non-executive directors of the company during the financial year:

Brian Stuart Johnston  
Ralph Gordon Piggott  
Harvey Warren Lockwood  
Peter Lawrence Doust  
Bruce William Spaul  
Peter Ernest Black  
Michelle Maree McClelland  
Craig Stephen Young  
Martin Newman

##### (b) Other Key Management Personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly during the financial year:

Danny Robinson    General Manager  
Michael Derrig    Assistant General Manager  
Garry Carr        Gaming Operations Manager

##### (c) Management Personnel Compensation

	2016 \$	2015 \$
Benefits and payments made to other Key Management Personnel	1,182,467	1,087,874

#### Transaction with related parties

From time to time, directors of the company, or their director-related entities, may purchase goods from the company. These purchases are on the same terms and conditions as those entered into by other company employees or customers.

Apart from the details disclosed in this note, no director has entered into a material contract with the company since the end of the previous financial year and there were no material contracts involving directors' interests existing at year end.

St George Leagues Club Limited and its Controlled Entity  
Notes to the Financial Statements  
For the Year Ended 31 October 2016

22 Related Parties

Key Management Personnel

Disclosures relating to key management personnel are set out in Note 21.

	2016 \$	2015 \$
<b>Related Party Transactions</b>		
Grants paid to St George Illawarra Rugby League Football Club Pty Ltd	2,480,000	550,000
Ground rent received from St George Illawarra Rugby League Football Club Pty Ltd	220,000	220,000

**Balance with Entities Within the Group**

The balances of St George Illawarra Rugby League Football Club Ltd with the parent company at reporting date:

Payable - St George Illawarra Rugby League Football Club Pty Ltd	-	891
Sundry debtor - St George Illawarra Rugby League Football Club Pty Ltd	72,932	66,596

The balances of St George Illawarra Rugby League Football Club Ltd with the controlling entity apart from those disclosed with the parent entity above at reporting date:

Sundry debtor - St George Illawarra Rugby League Football Club Pty Ltd	-	180,399
Payable - St George Illawarra Rugby League Football Club Pty Ltd	60,091	-

From time to time, directors of the company, or their director-related entities, may purchase goods from the company. These purchases are on the same terms and conditions as those entered into by other company employees or customers and are trivial or domestic in nature.

Apart from the details disclosed in this note, no director has entered into a material contract with the company since the end of the previous financial year and there were no material contracts involving directors' interests existing at year end.

# St George Leagues Club Limited and its Controlled Entity

## Notes to the Financial Statements

### For the Year Ended 31 October 2016

## 23 Company Details

The Club is incorporated and domiciled in Australia as a company limited by guarantee.

The registered office of the company is:

St George Leagues Club Limited  
124 Princes Highway  
Kogarah NSW 2217

## 24 Controlled Entity

Subsidiary: St George District Rugby League Football Club Ltd  
Country of Incorporation: Australia

## 25 Events Subsequent to Reporting Date

There are no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

## 26 Parent Entity Financial Information

### (a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts.

	2016 \$	2015 \$
<b>Statement of Financial Position</b>		
Current assets	14,754,493	12,476,752
Total assets	56,216,364	53,797,878
Current liabilities	6,142,952	6,532,781
Total liabilities	8,194,699	8,152,916
<b>Members' funds</b>		
Total members' funds	48,021,665	45,644,962
<b>Profit for the year</b>		
	2,543,429	3,329,480
<b>Total comprehensive income for the year</b>		
	2,543,429	3,329,480

### (b) Contingent liabilities of the parent entity

Refer to Note 19 for details of the contingent liabilities of the parent entity.